

TIMARU DISTRICT COUNCIL

MINUTES OF THE BUDGET MEETING OF THE TIMARU DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL BUILDING, KING GEORGE PLACE, TIMARU ON TUESDAY 15 MARCH 2016 AT 9AM

PRESENT Mayor Damon Odey (Chairperson), Clrs Tony Brien, Peter Burt (from 9.10am), David Jack, Richard Lyon, Pat Mulvey, Kerry Stevens, Tracy Tierney and Steve Wills

APOLOGIES Clr Steve Earnshaw

IN ATTENDANCE Chief Executive (Peter Nixon), Group Manager District Services (Ashley Harper), Group Manager Corporate Services (Tina Rogers), Group Manager Community Services (Sharon Taylor), Group Manager Regulatory Services (Chris English), Corporate Planning Manager (Mark Low), Environmental Health Manager (Paul Cooper)(for item 1), Council Secretary (Joanne Brownie)

Aoraki Development Board members – Brett King (Chairperson), Nicky Hyslop, Brian Rae and Mark Rogers – for the Aoraki Development item

OPENING PRAYER Marty Redhead from Trinity Presbyterian Church, offered a prayer for the work of the Council.

1 FOOD ACT 2014 – COST RECOVERY FOR TIMARU DISTRICT COUNCIL AND PROPOSED INCREASE FOR FOOD AND HYGIENE REGULATIONS FEES

The Council considered reports by the Environmental Services Manager explaining some of the implications of the new Food Act and outlining the background to a proposed fee increase for food premises in the Timaru District.

Clr Burt joined the meeting.

a Proposed Clr Mulvey
Seconded Clr Tierney

“That Council supports the approach taken and approves the draft Statement of Proposal for adoption of the final document at the Council meeting on 5 April 2016 and;

That Council appoints Clr Peter Burt and Clr Tony Brien to the Joint Committee for Setting Food Fees and Charges.”

MOTION CARRIED

b Proposed Clr Jack
Seconded Clr Mulvey

“That fees for food premises registered under Food Act 1981, Health (Registration of Premises) Regulations 1966 and the Food Hygiene Regulations 1974, are increased on 1 July 2016 to:

- Class A - High Risk Premises - \$375.00
- Class B - Low Risk Premises - \$256.25.”

MOTION CARRIED

2 TIMARU AIRPORT FACILITIES ENHANCEMENT

The Council considered a report by the Group Manager District Services on the scope, scale, cost and revenues associated with the Timaru Airport Facilities Enhancement. The GM District Services further explained the details around the proposed changes and the background to how the estimated upgrading costs were calculated. A barrier arm control mechanism is proposed for the carpark, rather than a pay and display system as the barrier arm will be more efficient and overcomes such difficulties as delayed flights, and chasing up unpaid parking fees.

Some concern was expressed that the estimated costs have increased since the Council initially approved the project in December 2015 and Air NZ has not yet confirmed its requirements nor signed an agreement. However the meeting was advised that no physical work will be undertaken until an agreement with Air NZ has been reached. Timaru was fortunate to retain a regional air service when last year Air NZ discontinued services to some provincial centres. It is important to support the new service for the economic and social benefit of our district and there will be opportunity to capitalise on Air NZ's investment in the promotion of whats on in our District and being able to encourage people to fly to Timaru.

Proposed Clr Mulvey
Seconded Clr Wills

- 1 “That \$725,000 be included in the Budget for the airport terminal upgrade.
- 2 That \$575,000 be included in the Budget for the carpark upgrade.
- 3 That carparking charging commence with an annual revenue projection of \$106,000.
- 4 That design and documentation for the approved enhancements be prepared in early 2016.
- 5 That physical work commence from 1 July 2016, subject to satisfactory agreement with Air NZ.”

MOTION CARRIED

3 PROPOSED ANNUAL PLAN AND BUDGET FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

The Council considered the draft budget and fees and charges for the 1 July 2016 to 30 June 2017 year and the covering report by the Group Manager Corporate Services and Corporate Planning Manager. The Corporate Planning Manager explained that changes in legislation allow Councils more flexibility

around Annual Plans, with public consultation required only if there are any significant changes to the Long Term Plan. At this stage it is proposed not to prepare a draft Annual Plan as there are no significant changes to the LTP. Council agreed with the suggested information sharing approach outlined in the report, as in depth consultation took place last year as part of the LTP and further consultation would place unnecessary cost on ratepayers without adding value.

Council went through the draft budget document and a number of questions were asked and issues clarified.

Otipua Wetland

Council considered a recommendation from the Community Development Committee of 9 February for \$30,000 per annum to be put in the Budget for routine maintenance of the Otipua Wetlands, subject to support from other interested parties. ECan has offered \$10,000 as a contribution to the project and the Mayor advised he will speak to ECan regarding ongoing financial support for the wetlands. It was noted that the Otipua Wetlands Trust still wants to be involved, especially around projects.

Proposed Clr Mulvey
Seconded Clr Wills

- a "That \$20,000 be included in the Budget for the Otipua Wetland on the basis that a \$10,000 contribution is provided by ECan.
- b That \$20,000 be included in the Budget on an annual basis for routine maintenance acknowledging the wetlands is now Council land.
- c That a co-funding arrangement be progressed for the future."

MOTION CARRIED

Aoraki Development

The Council considered the draft budget and Statement of Intent for Aoraki Development for 2016/17. The budget had been presented to those councillors who were able to meet with Aoraki Development on 11 March. Reference was made to the significant changes to the structure arising from Council's new Economic Development strategy, which has resulted in the Chamber of Commerce and the tourism function being separated from Aoraki Development's operation. Council acknowledged it will need to provide some operational funding for Aoraki Development for its office space, Chief Executive, vehicle and support staff.

Aoraki Development Board members joined the meeting to speak to its draft budget and Statement of Intent, noting that the paper presented reflects as closely as possible, the new TDC Economic Development Strategy. AD'S Chairperson advised that it has prepared a sound operational budget for achieving a limited scope of work. AD is aware that there is additional funding in Council's economic development account if there is a specific project. In this situation AD would bring a business case to Council for consideration. The current AD Chief Executive will be leaving on 9 May and Aoraki Development is currently recruiting for a replacement. The Mayor reinforced that the new Chief Executive will need to be fully engaged with Council and other key organisations in the district. The meeting noted the importance of agreed measurable Key Performance Indicators so that AD (and Council) knows how well AD has achieved its aims.

Aoraki Development representatives retired from the meeting.

Further consideration was given to the Aoraki Development budget, with it being noted that previously Council paid ADBT for both economic development and tourism plus \$26,000pa for events.

Proposed Clr Tierney
Seconded Clr Lyon

“That \$530,000 be allocated to Aoraki Development and \$50,000 be allocated for promotions/tourism.”

MOTION CARRIED

Rural Sector

Reference was made to the impact on the rural sector of the changes in the rate differentials. A suggestion was made that Council could lessen the rate burden on this area of the community if possible. With Timaru District Holdings Ltd benefitting from the current buoyant economy and its property portfolio investment, an opportunity may be available to use additional dividends to TDHL to offset rates, while still continuing to reduce debt.

It was noted that both the Temuka and Geraldine Community Boards had expressed concern at the impact of the change in differentials on rural ratepayers, particularly given the recent low dairy payout announcement. There was general support for softening the impact if possible, noting that some debt has already been retired, and what is proposed will be applied across the whole ratepayer base.

Proposed Clr Lyon
Seconded Clr Mulvey

“That \$200,000 from TDHL dividends be applied to rates.”

MOTION CARRIED

Overall Resolutions

a Proposed Clr Tierney
Seconded Clr Stevens

“That Council notes the proposed 2016/17 Annual Plan and Budget.”

MOTION CARRIED

b Proposed Clr Jack
Seconded Clr Wills

“That Council notes its earlier decision to fund Aoraki Development \$500,000 and apply \$50,000 to promotions.”

MOTION CARRIED

- c Proposed Clr Tierney
Seconded Clr Lyon

“That the comments from the Temuka, Pleasant Point and Geraldine Community Boards be noted.”

MOTION CARRIED

- d Proposed Clr Stevens
Seconded Clr Wills

- 1 “That the changes to the Annual Plan process and consultation provisions be noted.
- 2 That the proposed notification/information sharing approach for the 2016/17 Annual Plan be confirmed, and the Annual Plan not be consulted on.”

MOTION CARRIED

The meeting concluded at 3pm.

Chairperson